



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 42 (ending 16/10/2015)

“Character may be manifested in the great moments, but it is made in the small ones.”
– Winston Churchill

Irish trade surplus increased by 6% in August – Figures from the Central Statistics Office (CSO) show the State’s overall trade surplus for August increased by €194 million or 6% to €3.7 billion. Irish imports dropped by 6% and Irish exports fell by 1%. The EU accounted for €4.2 billion or 52% of total exports in August.

World stocks rally to two-month high – The MSCI World Index touched its highest level since Aug. 21 after stronger U.S. economic data helped reduce fears about global growth. The global share index is up over 5% so far in October. U.S. data showed new applications for unemployment benefits fell back to a 42-year low.

Annual inflation in euro zone turned negative in September – Eurostat said consumer prices in the 19 countries sharing the euro fell by 0.1% in the year to September, dipping below zero for the first time since March. This will increase pressure on the ECB to extend the quantitative easing scheme introduced in March.

Germany returns to selling sovereign debt with negative yield – Germany sold five-year government debt with a negative yield for the first time since April amid speculation that the Bundesbank may reach its limit on some bond purchases months before the intended completion of the European Central Bank’s stimulus plan.

U.K. unemployment rate hits a seven year low – The Office for National Statistics in U.K. reported that the number of people out of work declined by 79,000 to 1.774 million in the 3 months to August. This is the lowest jobless rate since Q2 2008. Workers’ total earnings, including bonuses, were up 3% from a year earlier.

China said to be planning extending Yuan trading hours – China is said to be looking at doubling the onshore yuan’s trading hours to keep the market open during the European day (closing at 11.30 p.m. local time instead of 4:30 p.m.) as it continues to push for the currency to be granted reserve status at the IMF.

The Story of the week: A former English policeman, Ben Hooper, will wade into warm waters off Africa and strike out for South America and attempt to become the first person to swim the Atlantic. 4,100 people have climbed Everest, 1,340 have swum the Channel and 12 men have walked on the moon but no one has swum the Atlantic.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2015 YTD (to 16/10)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	22.0
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	0.2
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	6.1
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	0.4
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	3.2
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	4.8
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-3.3
MSCI World	7.8	-7.6	13.1	26.2	7.7	-0.1
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.0
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	7.6
Portugal	6.6	13.4	6.9	6.1	2.7	2.4
Spain	5.5	5.1	5.4	4.1	1.6	1.8
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.13
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.73
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.54
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	10.9 (Q 2)
UK	14.5	8.1	2.7	10.7	17.8	6.5 (Q 2)
US	14.8	14.5	5.3	11.4	11.2	7.2 (Q 2)

*Past performance is not a reliable guide to future performance